

Oil rises to 2007 highs at \$66.70 in Asian trade

AFP, Singapore

Oil prices rose to fresh 2007 highs in Asian trade Friday as tensions over Iran's detention of British military personnel increased further, dealers said.

At 2:40 pm (0640 GMT) New York's main oil futures contract, light sweet crude for delivery in May, was up 67 cents to 66.70 dollars a barrel from 66.03 dollars in late US trades Thursday, the highest price since early September.

Brent North Sea crude for May was up 70 cents at 68.58 dollars.

Geopolitical risk in Iran, the world's fourth biggest oil producer, remains the key factor applying upward pressure on crude futures, analysts said.

"Iran is more aggressive in handling the issue of the detained sailors. They won't beg. They're making a pretty tough stance,

driving up the possibility of military conflict in the Gulf," said CFC Seymour senior investment strategist Dariusz Kowalczyk in Hong Kong.

He said the market was pricing in the possibility of further risks over the weekend.

"The market will continue to reassess the risk to supply ... the potential for conflict and the disruption of oil supply is real because Iran is directly involved and oil could hit record highs if anything happens," he said.

"The market is just very nervous so any sort of headline or rumour that suggests that the situation between the West and Iran -- between Britain and Iran -- might be getting worse is going to have a bullish impact on prices," Bache, Financial trader Tony Machacek said in London hours.

Oil prices are being supported also by Iran's refusal to bow to

international pressure over its disputed nuclear programme.

Simon Hayley, senior international economist at Capital Economics, said the premium was currently at about 5.0 dollars a barrel. With the premium stripped out, and if the market reacted solely to oil's demand-supply balance, prices would likely be trading at between 60 and 62 dollars.

Despite this week's spike in crude, prices remain a long way off record highs of above 78 dollars last year.

The 15 Royal Navy sailors and marines were detained in the Gulf last Friday, leading Britain to freeze ties with the Islamic republic.

Prices rose even higher on Thursday after Iran decided against releasing the only female sailor held among the group.

Dollar slips in Asia on Iran row

AFP, Tokyo

The dollar lost some ground in Asian trade Friday as market participants remained vigilant amid growing tensions between Iran and Britain and uncertain prospects for the US economy, dealers said.

They said that the market was largely unaffected by a series of indicators on the Japanese economy, including the first fall in consumer prices for 10 months, while an upgrade to US economic growth had a muted impact.

The dollar dipped to 117.87 yen in Tokyo afternoon trade from 118.02 yen in New York late Thursday.

The euro gained to 1.3346 dollars after 1.3331 but eased to 157.30 yen from 157.43 yen.

"Players remain cautious as there are many factors we have to watch closely such as the Iran issue and the US economic situation," said Masaki Fukui, senior market economist at Mizuho Corporate Bank's forex division.

The week-old standoff between Britain and Iran over 15 British naval detainees in the northern Gulf has sent oil prices to a six-month high.

The dollar turned in a mixed performance in US trade on Thursday as an upward revision to estimates of US fourth quarter growth failed to ease market concerns about economic weakness.

The US economy expanded at a 2.5 percent annualised pace in the fourth quarter of 2006, a bit faster than earlier estimates, the Commerce Department said.

But analysts cautioned that more tepid growth was likely ahead as the economy takes a hit from a slumping real estate market.

Japan released a mixed set of economic indicators.

The core consumer price index (CPI) fell 0.1 percent in February from a year earlier, the first fall in 10 months, while industrial output was down 0.2 percent.

"But a continued fall in the CPI is unlikely, particularly as oil prices are back on a rising track," Fukui said.

Meanwhile average monthly household spending rose 1.3 percent in February from a year earlier, while the jobless rate remained unchanged at 4.0 percent.



Corporate Agreement Signing Ceremony
SQUARE Hospitals Ltd. HSBC
29 March, 2007



Dealers' Night 2007
HEIDELBERGCEMENT BANGLADESH LTD.
PHOTO: HEIDELBERGCEMENT

The annual dealers' night of RubyCement, a cement brand of HeidelbergCement Bangladesh Ltd., was held recently in Chittagong. Ramakanta Bhattacharjee, director (Marketing, Sales & IT) of HeidelbergCement Bangladesh, among others, was present at the function.

US economy should slow in 2007: Rato

AFP, The Hague

US economic momentum is likely to decline this year to a pace slower than the 2.9 percent forecast in September by the International Monetary Fund, the head of the IMF said Thursday.

"We'll probably see that number of September ... reduced, but not in a significant way," Rato said here, where he met with Dutch government officials.

He said problems plaguing the US residential housing market, along with concerns about mortgage foreclosures, could have an impact on US consumer spending.

But he added that the negative effect would be offset by strong

household earnings and a healthy labor market.

The US economy, he predicted, should therefore experience a "soft landing" this year and "a certain recovery" in 2008.

In Washington Thursday the Commerce Department said the economy expanded at a 2.5 percent annualized pace in the fourth quarter of 2006, a bit faster than earlier estimates.

The revision for gross domestic product (GDP) was up from a 2.2 percent estimate released a month earlier.

The latest data meant growth for the full year 2006 was 3.3 percent, unchanged from the estimate last month.

-- Standard Chartered Bank



PHOTO: STAR

Transcom Electronics Ltd has organised a prize distribution ceremony for the year 2007 for the retailers of its Philips and Transtec brand lighting products of Nawabpur area in Dhaka. Abdul Kader Khan, head of Distribution, Sales & Marketing of the company, Md Badaruddin, area in-charge of Direct Trade, and Azharul Islam, manager of Supply Chain, among others, were present at the function held on Thursday in the capital.

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